

**Health Services
and
Development Agency
Minutes**

March 24, 2004

AGENCY MEMBERS PRESENT

Cheryl Cunningham, Vice Chair
Subhi Ali, M.D.
Bryan Atchley
Gregg Duckett, Esq.
Carl Koella, III
E. Conrad Shackelford, M.D., designee for the TennCare Director
Robert E. Moore, Jr., Esq., designee for the Commissioner of Commerce & Insurance
Faye Weaver, designee for the Comptroller of the Treasury

AGENCY MEMBERS ABSENT

Gene Caldwell, M.D., Chairman

AGENCY STAFF PRESENT

Melanie Hill, Executive Director
Mark Farber, Assistant Director
Reid Brogden, General Counsel
Jim Christoffersen, Deputy General Counsel
Rhonda Blair, Office Manager
Melissa Bobbitt, Administrative Services Assistant II
Jeff Grimm, Health Planner III
Phil Wells, Health Planner III

GUESTS PRESENT

Jerry W. Taylor, Esq., Farris, Matthews, Branan, Bobango & Hellen, P.L.C.
John L. Wellborn, Development Support Group
Dan H. Elrod, Esq., Miller & Martin
E. Graham Baker, Esq., Weeks, Anderson & Baker
Warren L. Gooch, Atty., Kramer, Rayson, Leake, Rodgers & Morgan
Kim H. Looney, Esq., Stokes, Bartholomew, Evans & Petree
William H. West, Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz
Byron R. Trauger, Esq., Trauger, Ney & Tuke
J. Richard Lodge, Jr., Esq., Bass, Berry & Sims, PLC
Claire Miley, Esq., Bass, Berry & Sims, PLC
Yvette Windham, Bass, Berry & Sims, PLC
Timothy McIntire, Baker, Donelson, Bearman, Caldwell & Berkowitz
M. Long, Tennessee Hospital Association
Bruce Duncan, NHC
Dere Brown, NHC
Hon. Charles Farmer, Mayor, City of Jackson
Troy Clark, Wellmont Health System
James A. Goss, M.D., Appalachian Orthopaedic Associates, P.C.
Alexandra C. Cross, Esq., Harwell, Howard, Hyne, Gabbert & Manner
Mike Hill, Esq., Harwell, Howard, Hyne, Gabbert & Manner
Shelly Calhoun, Harwell, Howard, Hyne, Gabbert & Manner
Michael O. Clang, MHA, Administrator, Appalachian Orthopaedic Associates, P.C.
Bert E. Tagert, M.D., Appalachian Orthopaedic Associates, P.C.
Norma E. Lindsey, Administrator, St. Mary's Health System
Melissa Evans, St. Mary's Health System
Janet Massengill, St. Mary's Health System
Ronald W. Hill, Vice President for Strategic Development, Vanderbilt University Medical Center
Robin L. Steaton, Administrator, Cardiovascular Medicine Patient Care, Vanderbilt University Medical Center
Marie Glaser, Assistant Administrator, Vanderbilt University Medical Center
Mark Lawson, M.D., Vanderbilt University Medical Center
Bryan Brand, Vanderbilt University Medical Center

J.R. Nunnely, M.D., Anesthesia Pain Management Services
Jeffrey B. Marvel, M.D., President, Center for Day Surgery
Ron King, Manager, Center for Day Surgery
Garen Throneberry, COO, Harton Regional Medical Center
Robert C. Collier, M.D., Ambulatory Surgery Associates
William G. Southwick, Senior Vice President, Surgical Health Partners, LLC
Neil Heatherly, CEO, StoneCrest Medical Center
Cheryl Ann Taylor, RN, StoneCrest Medical Center
Charles McKay, M.D., CEO, Tennessee Oncology
Darrell S. Freeman, President & CEO, Zycron, Inc.
Mohammad Jahanzeb, M.D., University of Tennessee Cancer Institute
Fuad Hammoudeh, CEO, University of Tennessee Cancer Institute
F. Yunus, M.D., University of Tennessee Cancer Institute
Jane Lucchesi, Director, Service Line Planning & Business Development, Methodist Healthcare
Cam Welton, COO, Methodist Healthcare
Bruce Steinhauer, M.D., CEO, The Regional Medical Center of Memphis
Gary Shorb, CEO, Methodist Healthcare
W. Steven West, Chief Legal Officer, Methodist Healthcare
Tim Deaton, Administrator, Methodist Healthcare-North Hospital
Bill May, M.D., Physician Advisor-Quality Management, Methodist Healthcare – North Hospital
Bill Rice, Chancellor, University of Tennessee
Mike Nesbit, Vice President, Revenue Management, Methodist Healthcare
Hank Herrod, M.D., Dean, University of Tennessee
Peggy Troy, President, Le Bonheur Children's Medical Center
Marilyn Robinson, M.D., Medical Director, The Regional Medical Center of Memphis
Davis Moser, M.D., Medical Director, Memphis Radiological Professional Corporation
Jamie Turner, Director-Breast Health Services, Methodist Healthcare-University Hospital
Vic Perini, Methodist Healthcare
Dr. Lance Spalding, M.D.
James E. Ross, Vice President, West Tennessee Healthcare
Mollie Taylor, Director, West Tennessee Healthcare
Jim Dockins, Executive Vice President, West Tennessee Healthcare
Victoria S. Lake, Director, Jackson-Madison County General Hospital
Ron Hill, Vice President, Jackson-Madison County General Hospital
Rob Robinson, McNeely, Pigott & Fox
John Sylvie, Baptist Health Services of East Tennessee
Robyn Coates, Memorial Hospital of Chattanooga
Jennie Morris, Morristown – Hamblen
Matt Newbill, RADS
Taylor Morris, Symbion
Doug Henderly, Jr., St. Mary's Health System

Vice Chair Cunningham called the meeting to order at 8:30 a.m. in the Main Auditorium of the Bell South Tower, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements. Ms. Hill informed members of changes to the agenda. Ms. Hill gave a brief overview of upcoming meetings. Ms. Hill concluded announcements by informing members that copies of additional support and opposition letters and the speakers list were included in their notebooks.

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

Appalachian Orthopaedic Associates, P.C. - (Johnson City, Washington County) - Project No. CN0307-056

The acquisition of an extremity magnetic resonance imaging (MRI) unit and of initiation of MRI services limited to the Appalachian Orthopaedic Associates' practice The MRI will be a leased unit providing full-time services at a fixed site. Project Cost \$601,820.00.

Alix C. Cross, Esq. representing the applicant, addressed the Agency. Dr. James A. Goss, Micahel Clang, Practice Administrator and Dr. Bert Tagert of Appalachian Orthopaedic Associates spoke on behalf of the project.

Mr. Koella moved for approval of the project based on: 1) Need – The need is evident; 2) Economic Feasibility – The project is economically feasible and cash and operating reserves are in place; and 3) The project does contribute to the orderly development of adequate and effective health care and the licensing is appropriate. Dr. Ali seconded the motion. The motion CARRIED [5-3-0]. **APPROVED**

AYE: Ali, Cunningham, Koella, Shackelford, Atchley
NAY: Moore, Duckett, Weaver

Appalachian Orthopaedic Associates, P.C. - (Kingsport, Sullivan County) - Project No. CN0308-067

The acquisition of an extremity magnetic resonance imaging (MRI) unit and of initiation of MRI services limited to the Appalachian Orthopaedic Associates' practice The MRI will be a leased unit providing full-time services at a fixed site.

DEFERRED TO THE MAY MEETING

Appalachian Orthopaedic Associates, P.C. - (Bristol, Sullivan County) - Project No. CN0308-068

The acquisition of an extremity magnetic resonance imaging (MRI) unit and of initiation of MRI services limited to the Appalachian Orthopaedic Associates' practice The MRI will be a leased unit providing full-time services at a fixed site. Project Cost \$597,388.00.

Alix C. Cross, Esq. representing the applicant, addressed the Agency. Dr. Bert Tagert of Appalachian Orthopaedic Associates spoke on behalf of the project.

Mr. Duckett moved for denial of the project based on: The project fails to adequately address a need from the perspective of the wait times that have been used as a justification for establishing an MRI. Also, from the perspective of orderly development, given the number of MRI projects that have been approved in the area the addition of this MRI would further saturate the service area and would not positively aide in the orderly development of healthcare in that region. Ms. Weaver seconded the motion. The motion CARRIED [5-3-0]. **DENIED**

AYE: Moore, Duckett, Cunningham, Weaver, Atchley

NAY: Ali, Koella, Shackelford

Cardiac Diagnostic Center - (Manchester, Coffee County) - Project No. CN0312-106

The establishment of a free-standing outpatient diagnostic center limited to cardiac catheterization procedures and the initiation of outpatient diagnostic cardiac and peripheral catheterization services on the campus of the Medical Center of Manchester.

DEFERRED TO THE MAY MEETING

St. Mary's Health System, Inc. - (Knoxville, Knox County) - Project No. CN0312-108

The addition of nine (9) residential hospice beds to the existing licensed eighteen (18) bed St. Mary's Health System, Inc. Residential Hospice. The existing eighteen (18) bed facility is located at 7447 Andersonville Pike, Knoxville, Tennessee. This application proposes to add nine (9) beds off-site to be located on a designated wing of St. Mary's Holston Health and Rehabilitation Center at 3916 Boyd's Bridge Pike, Knoxville, Tennessee 37914. The existing service area will not change and consists of the following counties,: Anderson, Blount, Campbell, Claiborne, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Roane, Scott, Sevier and Union. Project Cost \$41,020.00.

Norma Lindsey, Health Service Line Leader representing the applicant, addressed the Agency.

Mr. Koella moved for approval of the project based on: 1) Need – There is clearly a need for hospice services in Knox County; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care and licenses are in order. Mr. Duckett seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Moore, Ali, Duckett, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

Vanderbilt University Hospital - (Nashville, Davidson County) - Project No. CN0312-109

The acquisition of a magnetic resonance imaging (MRI) 1.5 Tesla unit and the initiation of MRI services. The Cardiac MRI will be located in 3,139 square feet of renovated first floor space at the Vanderbilt Clinic. Project Cost \$3,812,229.00.

Ronald W. Hill, representing the applicant, and Brian Brand addressed the Agency. Dr. Mark Lawson spoke on behalf of the project. Present in support of the project were Robin L. Steaton, Administrator, and Marie Glaser, Assistant Administrator.

Dr. Ali moved for approval of the project based on: 1) Need – The need is there for this is a new technology; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care. The Vanderbilt Institution is an anchor for tertiary services and progress in cardiac research in the country leads to advances which can only be positive. Mr. Koella seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Moore, Ali, Duckett, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

The Center for Day Surgery - (Tullahoma, Coffee County) - Project No. CN0312-110

The change of an existing one (1) operating room ambulatory surgical treatment center (ASTC) to an unrestricted multi-specialty license located at 1821 North Washington Street, Tullahoma, TN 37388. The ASTC currently is licensed and restricted to the following three surgical specialties: ophthalmology, plastic surgery, and ENT. The surgical capacity will remain the same. Project Cost \$70,000.00.

John Wellborn, Consultant representing the applicant, addressed the Agency. Dr. James Nunnerly and Dr. Jeff Marvel spoke on behalf of the project. Ron King, Manager of Center for Day Surgery was present in support of the project.

William West, Esq. representing Harton Regional Medical Center and Graham Baker, Esq. representing Ambulatory Surgical Associates spoke in opposition to this project. Garen Throneberry, COO, Harton Regional Medical Center, Dr. Robert C. Collier, Ambulatory Surgical Associates and William G. Southwick, Senior Vice President, Surgical Health Partners were present in opposition to the project.

Ms. Weaver moved for the addition of pain management services only, based on: 1) Need – There is a need to provide such services; 2) Economic Feasibility – The project is economically feasible, cost is minimal; and 3) The project does contribute to the orderly development of adequate and effective health care by reducing the number of locations the physician must travel to perform these services. Dr. Ali seconded the motion. The motion CARRIED [8-0-0]. **APPROVED – Addition of Pain Management Services Only**

AYE: Moore, Ali, Duckett, Cunningham, Koella, Shackleford, Weaver, Atchley

NAY: None

StoneCrest Medical Center - (Smyrna, Rutherford County) - Project No. CN0312-120

The acquisition of a linear accelerator and the initiation of radiation therapy (linear accelerator) services. The proposed radiation therapy services will be located in 8,938 square feet of leased space in a medical office building currently under construction on the hospital campus at 300 Stonecrest Boulevard, Suite 170, Smyrna, TN 37167. The radiation therapy services will be operated as a hospital services, under the hospital's license. Project Cost \$5,535,664.00.

Jerry W. Taylor, Esq. representing the applicant, addressed the Agency. Neil Heatherly, CEO, StoneCrest Medical Center, Cheryl Ann Taylor, RN, StoneCrest Medical Center, Dr. Charles McKay, Tennessee Oncology and Dennis S. Freeman, Zycron, Inc. spoke on behalf of the project.

Dr. Ali moved for approval of the project based on: 1) Need – The need is evident as there are only three units currently providing services in the area; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care by limiting the distance patients will have to travel to receive their treatment. Mr. Duckett seconded the motion. The motion CARRIED [8-0-0]. **APPROVED – Linear Accelerator at Southern Radiation to be discontinued upon completion of this project.**

AYE: Moore, Ali, Duckett, Cunningham, Koella, Shackleford, Weaver, Atchley

NAY: None

Mr. Duckett recused himself before the Agency's consideration of UT Cancer Institute's application.

UT Cancer Institute (UTCI) - (Bartlett, Shelby County) - Project No. CN0312-124

The establishment of an ambulatory surgical treatment center (ASTC) limited to radiation therapy services, the acquisition of a linear accelerator and the initiation of radiation therapy services. The ASTC will be located in leased space within a medical office building currently under construction on the campus of St. Francis-Bartlett Hospital in Bartlett, Tennessee. No other health care services will be initiated or discontinued as a result of this project. No inpatient beds are involved in this project. Project Cost \$8,991,469.00.

J. Richard Lodge, Jr., Esq. representing the applicant, addressed the Agency. Fuad Hammoudeh, CEO, University of Tennessee Cancer Institute, Dr. Mohammad Jahanzeb, University of Tennessee Cancer Institute and Dr. F. Yunus, University of Tennessee Cancer Institute were present in support of the project.

Mr. Koella moved for approval of the project based on: 1) Need – There is a need given the number of procedures projected for service area; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care. It is a major TennCare provider and license is appropriate. Dr. Shackleford seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Moore, Ali, Cunningham, Koella, Shackleford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Mr. Duckett recused himself before the Agency's consideration of Methodist Healthcare - University Hospital, LeBonheur Children's Medical Center, Methodist Healthcare - North Hospital, Hamilton Eye Institute and Methodist Healthcare - Germantown applications.

Methodist Healthcare – University Hospital - (Memphis, Shelby County) - Project No. CN0312-114

The discontinuance of OB services. The twenty-four (24) OB beds and forty (40) NICU beds will be converted to sixty-four (64) medical-surgical beds. Renovation of the existing facility is planned to prepare the facility to provide solid organ transplant services currently being performed at UT Bowld Hospital. Methodist Healthcare operates UT Bowld Hospital and will delicense 162 beds and close the facility upon completion of this project and Methodist Healthcare-North Hospital, CN0312-112. Methodist Healthcare has 1,526 beds located on five (5) separate sites. There is no major medical equipment involved, no other new services will be initiated or existing services discontinued and the total licensed bed capacity at this site will not be affected. Project Cost \$13,951,391.00.

W. Steven West, Esq., representing the applicant and Gary Shorb, CEO Methodist Healthcare spoke on behalf of the project. Cam Welton, COO, Methodist Healthcare and Dr. Bruce Steinhauer, CEO, The Retional Medical Center of Memphis spoke on behalf of the project.

Dr. Ali moved for approval of the project based on: 1) Need – The need is demonstrated by the coordination of services with other area healthcare providers in order to meet the needs of the population; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care. This project, when complete can only be positive to the healthcare for the state of Tennessee. Dr. Shackelford seconded the motion. The motion CARRIED [7-0-0]. **APPROVED - Convert twenty-four (24) OB beds and forty (40) NICU beds to sixty-four (64) medical-surgical beds.**

AYE: Moore, Ali, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Le Bonheur Children's Medical Center - (Memphis, Shelby County) - Project No. CN0312-115

The establishment of a fifteen (15)-bed special Neonatal Intensive Care Unit (NICU) to treat neonates with cardiovascular, surgical, and complex multi-disciplinary needs. The proposed project will convert fifteen (15) pediatric acute care beds to special NICU beds. The project will include renovation of existing space within the hospital. The total licensed bed complement of the hospital will remain the same. LeBonheur Children's Medical Center is operated under the license of Methodist Healthcare. The 225 beds at this site are included in Methodist Healthcare's 1,526 beds. Project Cost \$2,926,769.00.

W. Steven West, Esq. representing the applicant, addressed the Agency. Peggy Troy, President, Le Bonheur Children's Medical Center and Dr. Marilyn Robinson, The Regional Medical Center of Memphis spoke on behalf of the project.

Mr. Koella moved for approval of the project based on: 1) Need – The need is there and it meets the overall strategic plan of this redevelopment and partnership with the University; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care in that they are the largest TennCare provider in the State and the licenses are appropriate. Dr. Shackelford seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Moore, Ali, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Methodist Healthcare – North Hospital - (Memphis, Shelby County) - Project No. CN0312-112

The addition of twenty-six (26) acute care beds which will increase the bed complement from 234 beds to 260 beds. To support the increase in beds, approximately 21,000 square feet will be constructed and renovated (14,000 new/7,000 existing). Methodist Healthcare operates UT Bowld Hospital and will delicense 162 beds and close the facility upon completion of this project and Methodist Healthcare-University Hospital, CN0312-114. This will result in the subsequent reduction of 136 beds in the Memphis area. Methodist Healthcare has 1,526 beds located on 5 separate sites. There is no major medical equipment involved and no new services will be initiated or existing services discontinued. Project Cost \$2,960,662.00.

W. Steven West, Esq. representing the applicant, addressed the Agency.

Dr. Ali moved for approval of the project based on: 1) Need – need is there and it meets the overall strategic plan of this redevelopment and partnership with the University; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care and is positive by providing a more efficient delivery of services for the patients and providers in the service area.. Mr. Moore and Ms. Weaver seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Moore, Ali, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Hamilton Eye Institute Surgery Center L.P. - (Memphis, Shelby County) - Project No. CN0312-111

The establishment of an ambulatory surgical treatment center (ASTC) and the initiation of outpatient surgery services limited to specialized outpatient eye surgery procedures. The ASTC will be located in leased space that will require renovations and modifications. The project does not involve hospital beds or major medical equipment. Project Cost \$3,651,004.00.

W. Steven West representing the applicant, addressed the Agency.

Dr. Ali moved for approval of the project based on: 1) Need – need is evident by the agreement of the consortium of the healthcare providers in the area; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care by providing for patient care and the ability to advance the education and training for several area healthcare organizations. Dr. Shackelford seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Moore, Ali, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Methodist Healthcare – Germantown Hospital - (Memphis, Shelby County) - Project No. CN0312-113

The acquisition of dedicated breast magnetic resonance imaging (MRI) equipment and the initiation of breast MRI services to include screening and diagnostic mammograms, breast ultrasounds, stereotactic breast biopsies and various other diagnostic procedures in an outpatient facility operated under the hospital's license. The outpatient facility will be located at 7945 Wolf River Boulevard in Germantown, TN. The project does not involve hospital beds. Project Cost \$8,294,273.00.

W. Steven West, Esq. representing the applicant, addressed the Agency. Dr. Davis Moser, Memphis Radiological Professional Corporation and Jamie Turner, Director of Breast Health Services, Methodist Healthcare-University Hospital spoke on behalf of the project.

Dr. Ali moved for approval of the project based on: 1) Need – The need is there to provide more efficient screening and diagnostic consolidation of services dedicated to proficient breast health care; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care is positive in that breast cancer is the largest cause of cancer death for women and this project provides access to the most advanced breast MRI services. Dr. Shackelford seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Moore, Ali, Cunningham, Koella, Shackelford, Weaver, Atchley

NAY: None

RECUSED: Duckett

Jackson-Madison County General Hospital - (Jackson, Madison County) - Project No. CN0312-117

The acquisition of a magnetic resonance imaging 3.0 Tesla unit in Jackson-Madison County General Hospital located at 708 West Forest Avenue, Jackson (Madison County), TN. The MRI will be located in 1,300 square feet of renovated space on the first floor of the hospital. The project does not involve any changes to the hospital bed complement.

DEFERRED TO THE APRIL MEETING

Amedisys Tennessee, LLC d/b/a Amedisys Home Health (Winchester) - (Winchester, Franklin County) - Project No. CN0312-119

The addition of DeKalb County to its licensed service area of the following counties: Bedford, Marion, Cannon, Marshall, Coffee, Moore, Franklin, Rutherford, Giles, Sequatchie, Grundy, Van Buren, Hamilton, Warren & Lincoln. The applicant intends to serve DeKalb County from its McMinnville branch office.

DEFERRED TO THE MAY MEETING

Cleveland Open MRI, LLC - (Bradley, Cleveland County) - Project No. CN0312-121

The establishment of an outpatient diagnostic center (ODC), and the initiation of magnetic resonance imaging (MRI) services. The facility will be located at 201 Keith Street, S.W., Cleveland, TN 37311. Major medical equipment to be acquired is an open MRI unit. No inpatient beds are involved in this project and licensure is not required for this facility.

DEFERRED TO THE APRIL MEETING

Ms. Cunningham recused herself before the Agency's consideration of Regional Hospital of Jackson's application. Mr. Koella assumed the responsibilities of the Chair.

Regional Hospital of Jackson - (Jackson, Madison County) - Project No. CN0312-123

The initiation of open heart surgery services. Project Cost \$1,486,000.00

William H. West, Esq. representing the applicant, addressed the Agency. Tim Putoff, CEO, Regional Hospital of Jackson and James E. Ross, Vice President, Regional Hospital of Jackson spoke on behalf of the project.

Dan H. Elrod, Esq. representing Jackson-Madison County General Hospital, Dr. Lance Spalding and Mayor Charles Farmer spoke in opposition to the project. Ron Hill, Vice President, Jackson-Madison County Hospital, Victoria S. Lake, Director, Jackson-Madison County Hospital, Jim Dockins, Executive Vice President, West Tennessee Healthcare, and Mollie Taylor, Director, West Tennessee Healthcare were present in opposition to the project.

Mr. Duckett moved for denial of the project based on: The project does not contribute to the orderly development of adequate and effective health care as it fails to show where the utilization projected will meet the guidelines of the service area and given the fact that the cardiovascular surgeon is leaving which will leave a period of time where the project will not be operational. Additionally, given the decline in utilization of open heart surgeries across the state and nationwide the project would adversely impact other providers in the area. Mr. Atchley seconded the motion. The motion CARRIED [7-0-0]. **DENIED**

AYE: Moore, Ali, Duckett, Koella, Shackleford, Weaver, Atchley

NAY: None

RECUSED: Cunningham

GENERAL COUNSEL'S REPORT

Reid Brogden, General Counsel, summarized the following modification request:

Morristown Regional Cancer Center, LLC, Project No. CN011-108A

Request for extension of expiration date for an additional four (4) months from June 3, 2004 to October 1, 2004.

Warren Gooch, Esq., representing the applicant, addressed the Agency.

Dr. Ali moved for approval of the extension. Mr. Duckett seconded the motion. The motion CARRIED, [8-0-0]. **APPROVED**

AYE: Moore, Ali, Duckett, Cunningham, Koella, Shackleford, Weaver, Atchley

NAY: None

CONTESTED CASE UPDATES

Reid Brogden, General Counsel, offered to answer any questions regarding the contested case log.

LEGISLATIVE UPDATES

Reid Brogden, General Counsel, gave a brief update of bills that have been submitted as they relate to the Health Services and Development Agency.

NEW APPEAL STATUS

There were no new appeals filed within the last thirty days.

CURRENT REPORTS

Statistical Reports

The reports were accepted into the record.

Finance, Ways and Means Committee Reports

The reports were accepted into the record.

Minutes

The minutes of the February 25, 2004, meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/mab